

R-10-15

RESOLUTION NO. _____

A RESOLUTION OF INTENT TO ISSUE A PROMISSORY NOTE TO PROVIDE SHORT-TERM FINANCING UNDER AMENDMENT NO. 78 TO THE ARKANSAS CONSTITUTION FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, INSTALLING OR RENTING REAL PROPERTY OR TANGIBLE PERSONAL PROPERTY HAVING AN EXPECTED USEFUL LIFE OF MORE THAN ONE YEAR; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND FOR OTHER PURPOSES.

WHEREAS, the City of North Little Rock, Arkansas (the "City") is authorized and empowered under the provisions of Amendment No. 78 to the Arkansas Constitution ("Amendment No. 78") and Act No. 1808 of 2001 (codified as Title 14, Chapter 78 of the Arkansas Code of 1987 Annotated) (the "Act"), to issue notes and to expend the proceeds thereof to finance all or a portion of the costs of acquiring, constructing, installing and renting real property or tangible personal property having an expected useful life of more than one year; and

WHEREAS, it is proposed that the City issue its promissory Note in the principal amount not to exceed \$7,000,000.00 (the "Note") under Amendment No. 78 and the Act for the purpose of making park improvements, purchasing street equipment and vehicles, improving city buildings and purchasing real estate (the "Property"); and

WHEREAS, the City intends to arrange for a loan (the "Loan") from a financial institution (the "Lender") and to issue the Note to the Lender at a price of par in consideration for the Loan;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS, THAT:

SECTION 1: The North Little Rock City Council (the "City Council") hereby finds that the Property is real or tangible personal property having a useful life of more than one year. The City Council further finds that the sum of the principal amount of the proposed Note and the outstanding principal amount of the City's other outstanding promissory notes do not exceed five percent (5%) of the assessed value of taxable property located within the City as determined by the last tax assessment completed before the issuance of the Note.

SECTION 2: Under the authority of the Constitution and laws of the State of Arkansas, including particularly Amendment No. 78 and the Act, the City Council declares its official intent to issue a Note in the principal amount not to exceed

\$7,000,000.00 for the purpose of financing all or a portion of the cost for acquisition of the Property and paying expenses of issuing the Note. The Note shall be dated the date of issuance and shall bear interest on the outstanding principal amount at a fixed rate per annum (calculated on the basis of a 30/360 day year). The Note shall be repaid by a date five (5) years from the date of the Note at which time all unpaid principal and accrued interest shall be due and payable. The Note shall be issued in fully registered form and may be prepaid at the times and in the manner permitted in the Note.

SECTION 3: The Note shall be issued to the Lender in consideration for the Loan. The Lender shall be selected by the Mayor based upon the commitment or proposal for the Loan that the Mayor determines to have the lowest cost to the City. The City's Director of Finance is hereby directed to solicit proposals or commitments for the Loan from at least three (3) financial institutions having offices in Pulaski County or having requested to be solicited in such manner as shall be approved by the Mayor. The Mayor shall have the right to reject any and all proposals and commitments.

SECTION 4: As provided in Amendment No. 78, the annual debt service payments on the Note in each fiscal year shall be charged against and paid from the general revenues of the City for such fiscal year. For the purpose of making the annual debt service payments, there shall be, appropriated to pay the Note, an amount of general revenues of the City sufficient for such purposes.

SECTION 5: The City Council hereby expresses its official intent that any expenditures for the Property prior to the issuance of the Note be reimbursed from proceeds of the Note.

SECTION 6: That this Resolution shall be in full force and effect from and after its passage and approval.


PASSED:

APPROVED:

Mayor Patrick H. Hays

SPONSOR:


ATTEST:



Mayor Patrick H. Hays

Diane Whitbey, City Clerk

APPROVED AS TO FORM:



C. Jason Carter, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/b

FILED 11:32 A.M. _____ P.M.

BY City Atty - Carter

DATE 1-19-10

Diane Whitbey, City Clerk and Collector
North Little Rock, Arkansas

RECEIVED by Bobbie Dudley